

1 PRESTON DuFAUCHARD  
California Corporations Commissioner  
2 ALAN S. WEINGER  
Deputy Commissioner  
3 JOYCE TSAI (CA BAR NO. 241908)  
Corporations Counsel  
4 Department of Corporations  
1350 Front Street, Suite 2034  
5 San Diego, CA 92101  
Telephone: (619) 525-4043 Fax: (619) 525-4045  
6 Attorneys for Complainant

8 BEFORE THE DEPARTMENT OF CORPORATIONS  
9 OF THE STATE OF CALIFORNIA

11 CALIFORNIA CORPORATIONS ) File No.: 963-2525  
12 COMMISSIONER, )  
13 Complainant, ) ORDER IMPOSING PENALTIES PURSUANT  
14 vs. ) TO CALIFORNIA FINANCIAL CODE  
15 CF ESCROW, INC., ) SECTION 17408  
16 Respondent. )  
17 )  
18 )

19 TO: CF ESCROW, INC.  
20 239 Laurel Street, Suite 203  
21 San Diego, CA 92101

22 NOW THEREFORE the California Corporations Commissioner (“Commissioner”) having  
23 found that CF Escrow, Inc. (“CF Escrow”) failed to file its annual audit report containing audited  
24 financial statements for its fiscal year ending October 31, 2009, as required by Financial Code  
25 section 17406, CF Escrow is hereby ordered, pursuant to Financial Code section 17408, to pay to the  
26 Commissioner the sum of \$17,750.00, plus an additional \$250.00 a day for each day after May 19,  
27 2010, that the annual audit report is not filed.  
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1 Pursuant to Financial Code section 17406, CF Escrow was required to submit its annual audit  
2 report for the fiscal year ending on October 31, 2009 (“2009 audit report”) to the Commissioner on  
3 or before February 15, 2010.

4 On or about September 22, 2009, the Commissioner notified CF Escrow in writing that its  
5 audit report was due February 15, 2010. CF Escrow failed to file the audit report by February 15,  
6 2010.

7 On or about February 23, 2010, Complainant sent another letter to CF Escrow demanding  
8 that it file the audit report within 10 days. CF Escrow was notified in the letter that failure to file to  
9 the audit report could result in assessment of penalties, a special examination and/or administrative  
10 action. CF Escrow received Complainant’s letter on March 1, 2010.

11 To date, CF Escrow has not filed its 2009 annual audit report.

12 Financial Code Section 17408, subdivisions (b) through (e), provides as follows:

13 (b) The commissioner may impose, by order, a penalty on any person  
14 who fails, within the time specified in any written demand of the  
15 commissioner, (1) to make and file with the commissioner any report  
16 required by law or requested by the commissioner. . . . The amount of the  
17 penalty shall be one hundred dollars (\$100) for each day for the first five  
18 days the report or information is overdue, and thereafter may not exceed five  
19 hundred dollars (\$500) for each day the report or information is overdue.

20 (c) If, after an order has been made under subdivision (b), a request for  
21 hearing is filed in writing within 30 days of the date of service of the order  
22 by the person to whom the order was directed, a hearing shall be held  
23 in accordance with the Administrative Procedure Act, Chapter 5 (commencing  
24 with Section 11500) of Part 1 of Division 3 of Title 2 of the Government  
25 Code, and the commissioner shall have all the powers granted under that chapter.

26 (d) If the person fails to file a written request for a hearing within 30 days  
27 of the date of service of the order, the order imposing the penalty shall be  
28 deemed a final order of the commissioner, and the penalty shall be paid within  
five business days.

(e) If a hearing is requested, the penalty shall be paid within five business  
days after the effective date of any decision in the case ordering payment to be  
made.

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Dated: May 19, 2010  
Los Angeles, CA

PRESTON DuFAUCHARD  
California Corporations Commissioner

By \_\_\_\_\_  
Alan Weinger  
Deputy Commissioner